

SENATE BILL 2666  
By Cooper

AN ACT to amend Tennessee Code Annotated, Section 35-50-107; Title 45, and Title 48, Chapter 2, and Chapter 165 of the Public Acts of 1995.

WHEREAS, in recognition of the potential impact of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 and Chapter 165 of the Public Acts of 1995, which combined will permit the development of bank branch networks across interstate lines and enhance competition for financial services; and

WHEREAS, desiring to enhance the economic development potential of the State of Tennessee by encouraging the location of banks and other financial institutions in Tennessee and the benefits that such locations would bring to the state in terms of jobs, capital investment, and financial resources; and

WHEREAS, mindful that such economic development is dependent upon maintaining an environment which is conducive to the location of banks and other financial institutions through state laws and regulations which permit Tennessee chartered financial institutions to compete on an equal footing with other financial institutions including national banks, state-banks chartered in other states, federal and state savings and loan associations and savings banks, credit unions, and other financial service providers such as investment banks, stock brokers, finance companies, international banks and financial institutions, and insurance companies, all of whom offer financial products or services which compete directly with Tennessee's state-chartered financial institutions; and

WHEREAS, intending that this legislation should be remedial, provide competitive opportunities for state-chartered financial institutions and to enhance the State of Tennessee as a location of choice for the operations of banks and other financial institutions; now, therefore, BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This Act shall be known and may be cited as the "Bank Reform Act of 1996".

SECTION 2. Tennessee Code Annotated, Section 35-50-107(a)(2) is amended by adding as a new subdivision (H) the following:

(H) A trust company that is organized under the laws of another state as a bank, trust company or savings bank that (i) has an office in this state that is not its principal office, meets the definition of a trust institution under 12 U.S.C. Section 1841(c)(2)(D), and is a direct or indirect subsidiary of a bank holding company that has a direct or indirect bank, trust company, or savings bank subsidiary that has an office in this state in which deposits are accepted; or (ii) has an office in this state that is not its principal office and accepts deposits at its office in this state.

SECTION 3. For purposes of promulgating rules or regulations, this act shall take effect upon becoming a law, the public welfare requiring it; for all other purposes, this act shall take effect on July 1, 1996, the public welfare requiring it.